

The American FFA Degree Lessons

Participation in the degree system should start from the first day of enrolling in an agricultural education program. The FFA degree system has been designed to help students get the most from their classroom instruction, SAE and FFA activities. Having students receive the American FFA Degree is as much the fact that the instructor has a plan to help make it happen as does a student with a good sound SAE program. Like all FFA activities, to make the FFA Degree program meaningful and useful to all agricultural education students it needs to be incorporated into the classroom instructional program.

Once completed applications leave the local chapter level their evaluation is based on what is contained in those applications. That means that the people assigned to read and evaluate an application will have no knowledge about the program beyond what is included in the application.

Contrary to what you may believe or may have heard, the size of an individual's SAE program is rarely the reason that a student does not receive the State or American FFA Degree.

To be competitive, the completed application form must be a true and honest reflection of the student's supervised agricultural experience program. The following lessons have been designed to give you an insight into completing the American FFA Degree application.

LESSON #1: ELIGIBILITY

BACKGROUND INFORMATION

- A. The National FFA constitution list several specific requirements that must be fulfilled in order to receive the American FFA Degree. These requirements are as follows:
1. Have received the State FFA Degree
 2. Have been an active member for the past three years (36 months)
 3. Have a record of satisfactory participation in the activities of the chapter and state levels.
 4. Have satisfactorily completed the equivalent of at three years (540 hours) of systematic secondary school instruction in an agricultural education program, or have completed the program of agricultural education offered at the school last attended or have completed two years of a secondary agriculture education and one year of a post-secondary agriculture program at a technical school or university.
 5. Have graduated from high school at least twelve months prior to the national convention at which the degree is to be granted.
 6. Have in operation and have maintained records to substantiate an outstanding supervised agricultural experience program through which a member has exhibited comprehensive planning, managerial and financial expertise.
 7. Have earned and productively invested at least \$7,500 or have earned and productively invested \$1,500 and worked 2,250 hours in excess of scheduled class time.

8. Have a record of outstanding leadership abilities and community involvement.
 9. Have achieved a high school scholastic record of "C" or better as certified by the principal or superintendent.
- B. Since members may retain their active membership until November 30, following the fourth national FFA convention after graduating from high school that is also the last convention that they are eligible to receive the American FFA Degree.

NOTE: It is important that the cover page of the application is completed accurately and completely because the information recorded here is used to determine the candidate's eligibility.

LESSON #2: CANDIDATE'S SUPERVISED AGRICULTURAL EXPERIENCE PROGRAM

BACKGROUND INFORMATION

The candidate has a choice of conducting two different types of experience programs in earning the American FFA Degree. The degree can also be earned for a combination of the two.

1. **Entrepreneurship-** Entrepreneurship programs assist students in developing competencies needed to own and manage production agriculture and agribusiness enterprises. Students with entrepreneurship programs have personal ownership of the materials or other input required for the enterprise. They must keep complete and accurate records. Entrepreneurship programs may be developed in any setting. School or community facilities can also be used for entrepreneurship programs, provided the student owns the materials used in the enterprise. For example a student may rent school greenhouse space to produce bedding plants, be provided with a community facility in which to raise livestock or land on which to produce crops.
2. **Placement-** Placement programs involve the placing of students on farms or ranches, in agribusinesses, in school laboratories or other community facilities. The purpose is for students to gain practical, hands-on experience needed to enter and advance in their chosen occupational fields in the agricultural industry. Students utilize the facilities and human resources provided by employers, school or community organizations in developing essential employment competencies. The students work toward the achievement of specific agricultural skills. They do not own the facility or area where they are placed, but are usually paid a wage for their work. Placement experiences can be both wage earning and non-income producing.

- Tip #1 - Record year - the first year can either be less than, equal to, or more than a full year. After the first year, the calendar year is used as the record year. The computerized programs also allow you to do this. To accomplish this with the computerized program you must enter on page 2 the month and year that the first SAE was started and the month and year that it was completed. The computer is programmed to automatically fill in the correct dates in the appropriate columns.
- Tip #2 - Beginning and ending inventories must include all items owned by the candidate that relates to the supervised agricultural experience program being used to seek the degree. These inventories must include the value of all livestock, poultry, feed, supplies, buildings, land and equipment owned by the student.
- Tip #3 - Each year's beginning inventory must be the same as the preceding year's ending inventory. However the new handbook does describe a situation whereby a gift that becomes part of the SAE inventory may cause an adjustment or "convention" to be made to the beginning inventory in the year the gift is received. There is another acceptable way to make this convention and I suggest that you use it.
- Tip #4 - The closing non-current/capital inventory for the last year covered by the application, page 8b, item 4a, must equal the total of the capital inventory items reported on **page 9 line 2a6, "ending value (B)"** of the application. **If these totals differ, what message are we sending to the person who is reviewing the application?**
- Tip #4a - The **total** of line 1c "Inventory Change" on page 8 a/b should equal the **difference** between the beginning and ending

values of operating inventories which are forwarded to page 9, lines 1d1, 1d2, 1d3 and 1d4.

- Tip #5 - When the size of an enterprise for the last year covered by the application, **page 2**, is described in the number of head of animals owned **this number can be greater but can not be less than** the total number of head reported as inventory.
- Tip #6 - Non-cash costs which were earned through barter, exchange for labor, gift or other means must be charged as an expense to the enterprise consuming it and also be reported either as **Earnings and Income from Agricultural Activities Not a Part of the Supervised Agricultural Experience Program**; or **Earnings Other Than Income**; or **Earnings from Non-Agricultural Activities** or **Total Non-supervised Experience Program Income** on page 11 or are **offset by entries into line 1g** on pages 8 a/b.
- Tip #7 - The size of the candidate's enterprises should appear relative to their resources (acquiring large quantities of inventory with little to no expense outlay are cause for concern by evaluators). When evaluating enterprise size also look for evidence of improvement and growth (efficiency factors).
- Tip #8 - Remember every item used in the course of producing livestock or a crop has a value and that value must be charged to the enterprise consuming it whether you paid for it with cash or non-cash exchange.
- Tip #9 - A candidate's supervised agricultural experience program may contain both paid and unpaid hours of experience. If wages are earned on a hourly basis be careful to only multiply the rate of pay by the hours of paid labor performed and **not** the total hours worked. Only unpaid hours are counted for the benefit of the applicant's qualification by hours (\$1500 earned and invested and 2250 hours)

Tip #10 - Payroll deductions for state and federal taxes, Social Security and other forms of retirement are not to be considered as job related expenses there is a special section on page 11 of the application for these costs. For most wage earning jobs there is a cost to the wage earner. Candidates must consider transportation to the work site, special clothing or safety equipment required for the job, employment fees, union dues, etc. as job related expenses.

Special Note: The American FFA Degree Computer Software template has been designed to do all possible math calculations for the candidate. If you find a cell in the application which has a red triangle in the corner, that means that the computer program has more information available in a "help bubble" for that cell. Place your computer cursor over that cell and a bubble will appear which has information regarding that cell. Additional information may be found on the template to the right of the on screen page.

LESSON #3: INVENTORY

BACKGROUND INFORMATION

The inventory should include all supplies, equipment, and merchandise bought and held for resale, home raised and purchased market and breeding animals, land, machinery and other capital items on hand which were a part of the supervised agricultural experience program. (Basically any item that is owned by the candidate and is related to the SAE of the applicant.)

- Tip #1 - Land values are to be kept at acquisition cost. (Increasing the value of land due to inflation will lead to an unrealistic statement of earnings).
- Tip #2 - A piece of equipment or a building whose value and service life has been extended through extensive repairs must have its remaining book value and estimated years of life adjusted to reflect the added value. Only the actual cost of repairs can be used to calculate the new value. (**Do not** include the cost of the applicant's own labor.)
- Tip #3 - All machinery, buildings and equipment values must be the remaining undepreciated book value. (Acquisition cost minus depreciation). Again, any repairs increase the value by only the actual cost; no increase is to be attached for applicant labor.
- Tip #4 - Candidate must list items of inventory for which they do not have 100% ownership by only reporting the actual value of the candidate's share of each item of inventory.
- Tip #5 - The number of head of livestock reported in the closing inventory can be **less** than, but can not be **greater** than the number of different head owned during the year and reported

as size of enterprise for the last year covered by the application on **page 2**.

- Tip #6 - When the personal car is used in the business, IRS (and FFA) will allow a reasonable proportion of the cost of ownership as a business expense and therefore, business (productive) inventory.
- Tip #7 - The grand total value reported for closing non-current/capital inventory on **page 8b, line 4a** must be the same total value found on **page 9 line 2a6**.
- Tip #8 The inventory should reflect the candidate's movement towards attainment of his/her occupational goal. For more details on completing the Inventory Section, please refer to your **American FFA Degree Handbook**.

LESSON #4: INCOME OTHER THAN EARNINGS

BACKGROUND INFORMATION

Items received as a gift or as an inheritance can have an influence on the candidate's net worth and therefore must be included as a source of income.

Tip #1 - If an item received as a gift or as a part of an inheritance appears in the candidate's financial statement it must also be recorded as **"Non-Supervised Experience Program Income" page 11 line 22 a-c. If this gift also becomes part of the SAE, that value should appear in the "capital purchases" line item on the summary page [8a/8b]. (Basically you are showing that you "purchased" this gift into the SAE program -- this is an offset which prevents errors in the application and undue advantages for gifts.)**

Tip #2. Items received from a parent or other source for doing relatively little work is a gift and not income.

EXAMPLE: When I was a freshman Dad gave me a 33% interest in the dairy herd because I had helped shovel the walk in the barn. My share was worth \$59,000, at that time. **What do you think? Is this a reasonable wage, or is it a gift?**

Additional suggestions can be found your **American FFA Degree Handbook.**

LESSON #5: CANDIDATE'S USE OF FUNDS FOR PERSONAL EXPENDITURES

BACKGROUND INFORMATION

One consideration used in evaluating each completed application is how much money was actually earned and what use the candidate made of these funds.

- Tip #1 - To have the required \$1,500 minimum or \$7,500 minimum to invest the candidate that is providing for all of his/her own personal expenses will probably require larger earnings.
- Tip #2 - If there is a large discrepancy between the amount of money that was earned and what is available for investing; it could be that major personal expenses [room, board, insurance costs, travel expenses, etc.] have not been accounted for (do not show capital purchases in the personal expense line as they are already reflected by listing them in your financial statement).

Additional suggestions can be found in your **American FFA Degree Handbook**.

LESSON #6: CANDIDATE'S FINANCIAL BALANCE SHEET STATEMENT

BACKGROUND INFORMATION

The **Candidates Financial Balance Sheet Statement** is the record of the candidates total assets and liabilities, including the gain or loss in net worth during the period covered by the application.

- Tip #1 - The beginning non-current/capital inventory value of all items of capital must be reported at the same values as reported on the **Income and Expense Summary** page on **page 8 a/b** of the application.
- Tip #2 - The ending inventory value of all items of non-current/capital must be reported at the same values as reported on the **Income and Expense Summary** page on **page 8 a/b** and as **Non-Current/Capital Inventory** on **pages 6 and 7** of the application.
- Tip #3 - Only the cash surrender value of a life insurance policy can be considered as an asset.
- Tip #4 - There is **no** way that a candidate's net worth can increase more than the total of the following:
 - 1. Candidate's return to capital, labor and management of all enterprises that are a part of the supervised agricultural experience program.
 - 2. Grand total net earnings from the wage earnings.
 - 3. Total other earned income which is **not** a part of the supervised agricultural experience program.

4. Cash value of all items received as income other than earnings.

Note: *To prove this point and to make a point of the concept, give twenty (20) one dollar bills, one at a time, to a participant, saying each dollar is representing a different type of income, and then ask him to give a certain number back, one at a time, as expenses. After giving a certain number back, ask how many believe that he can still have more than twenty (20) one dollar bills?*

Tip #5 - Agriculture is an industry that relies on using borrowed capital. There is no penalty to the candidate for indicating liabilities associated with becoming established in an agricultural career.

For more complete instruction on completing the **Candidate's Financial Balance Sheet Statement**, please refer to your **American FFA Degree Handbook**.

LESSON #7: Summaries of Investments and Source/Use of Funds

BACKGROUND INFORMATION

To assist in the evaluation of the completed application each American FFA Degree candidate must transfer all financial information recorded on other pages of the application to this section. (The computer application makes all possible transfers for the candidate.) This summary provides a valuable tool in evaluating the accuracy of the financial information and to visualize the total investment made by the candidate in becoming established in an agricultural career.

For more complete instruction please refer to your **American FFA Degree Handbook**.

LESSON #8: PERFORMANCE REVIEW and EFFICIENCIES ATTAINED

BACKGROUND INFORMATION

Planning, goal setting, and skill attainment are all long-standing pillars of the FFA and SAE program. The efficiency of a program is one measurement of how well a candidate has done in relation to an accepted standard or in comparison with the competition, however it is important to consider the management practices used. Remember that with any resource there is a point of diminishing returns.

- Tip #1 - Nothing will cause an otherwise good application to be reviewed with mistrust than one that mistakenly states the efficiencies obtained. Stating that a swine enterprise had a gain of two pounds per day on one pound of feed or that a poultry enterprise had 600 eggs per hen housed makes the entire application suspect. **If any of you have students with operations like this and are in the need for capital to expand please let me know as I can always find a few dollars to invest that will offer a high return.**
- Tip #2 - To properly determine efficiency factors requires that each candidate be informed in advance of setting up their record books as to the type of information that they will need in order to make various calculations.
- Tip #3 - There should be a correlation between the type of enterprises reported on the **Candidate's Supervised Agricultural Experience Program on page 2** of the application and the efficiency factors used.

EXAMPLE: Feed cost per pound of pork is not a very meaningful efficiency factor if the enterprise consists of producing pigs that are sold as feeder pigs.

- Tip #4 - In determining the farrowing, lambing, calving numbers or percentages, all full term animals born dead or alive must be included.
- Tip #5 - In calculating the total number of litters include all litters that produced one or more pigs, either dead or alive.
- Tip #6 - Calculate the average daily gain for market swine, lamb and beef, from the time they become a part of the finishing enterprise until they are sold. For computing feed conversion efficiency **do not** include feed fed to breeding stock.
- Tip #7 - The average number of layers housed or dairy cows in production per year is determined by calculating the number on hand the first day of each month plus the number on hand December 31 divided by 13.
- Tip #8 - Total number of cows or ewes should include all females bred with the intention of holding them until they give birth,
- Tip #9 - Laying hen feed expense should be calculated from the time the birds are transferred to the laying house from the pullet flock, or from the date ready-to-lay pullets are purchased.
- Tip #10 - In calculating the total dozens of eggs produced be sure to include all eggs produced including eggs sold, consumed in the home, bartered or given away, broken in handling or used in hatching.

Learning how to set up records to determine efficiency factors is a management technique that all producers of crops and livestock must be able to accomplish if they are to remain efficiency producers. Your **Agricultural Proficiency Award Handbook** can provide you with the basis to teach a unit on this topic. The "Decisions and Dollars" curriculum, available through the Professional Growth Series of the National Council on Agricultural Education is an excellent source of information for all record keeping, goal setting and program planning processes.

For Stars and Officer Candidates only: Skills, competencies, and knowledge are those abilities that the candidate has acquired as a result of the training and experiences received through his/her agricultural education and supervised agricultural experience program.

Tip #1 - Do not write a lengthy narrative on a skill or skills, competency or competencies, etc.. Rather state the specific items in the first column and indicate the results obtained in the second column. Measurable terms, actual numbers or percentages to indicate improvements are very useful to the evaluator of the application.

EXAMPLE: Don't say "I have developed a wide variety of qualities needed in making wise selection decisions to improve my dairy herd." Identify and state the qualities.

- I can read and interpret sire summaries in order to select the proper sires to use on my herd.
- I can do about 75% of my own de-horning, tattooing, intravenous treatment and other veterinary work.

Tip #2 - This section of the application supports the management level and ability of the candidate. It also provides an excellent means to substantiate the information supplied on other sections of the application form. A little extra time devoted to this section can pay big dividends.

Tip #3.- The skills and competencies listed must relate to the business/enterprises conducted by the candidate.

Additional help can be found in your **American FFA Degree Handbook**.

LESSON #9: LEADERSHIP ACTIVITIES

BACKGROUND INFORMATION

FFA OFFICES HELD AND RELATED FFA ACTIVITIES: Activities made available to all candidates as a result of their membership in the FFA. Activities can be those sponsored by the local chapter, state association or National organization.

SCHOOL AND COMMUNITY ACTIVITIES: A record of major school and community leadership activities and accomplishments achieved (non-FFA activities).

- Tip #1 - Leadership activities can be provided two ways -- the FFA and by the School/Community. The secret to this portion of the application is to record these activities in the appropriate section and not use the same activity twice.
- Tip #2 - To allow each candidate to list as many different activities as possible and still provide the opportunity to participate in a specific activity for more than one year, each candidate should indicate the **specific year or years**, that they participated at each competitive level, rather than marking the level of participation with an "X".

Additional helpful hints can be found in your **American FFA Degree Handbook**.

LESSON #10: SUPPORTING DOCUMENTATION- STARS AND NATIONAL OFFICER CANDIDATES ONLY

BACKGROUND INFORMATION

Each candidate must attach:

- a copy of their most recent year's supervised agricultural experience
- partnership, rental, family corporation or occupational training agreement
- three letters of reference (one must come from the student's FFA Advisor and one from an employer or supervisor, if the student is in a placement SAE related to their candidacy)
- a student who is conducting research or experimentation related to their award candidacy may attached abstract and results sheets to the application.
- Photos and captions (see notes below -- Lesson #11)

The purpose of requesting the above documents is to provide supportive information for the program indicated in the application.

Additional help can be found in your **American FFA Degree Handbook**.

LESSON #11: PICTURES

Pictures are submitted only for the candidates to be considered for Star Farmer, Star in Agribusiness, Star in Agricultural Placement and Star in Agriscience.

National FFA officer candidates do not need to send photographs. Up to six pictures may be used to support the application and each caption may include 50 words. Captions should be relevant, but should not simply state the obvious. The pictures and captions are a good way to support the quality and scope of the program and to relay information that the candidate has not been able to adequately address in the application.